

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised on 5/4/11 based upon amendments adopted through 5/3/11.

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS			\$27,200	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			\$27,200	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 575 enacts the Interstate Compact on Educational Opportunity for Military Children into law with all other jurisdictions legally joining therein. The compact is to remove barriers to educational success for children of military families because of frequent moves and deployment of their parents. Participating states become members of an Interstate Commission which is responsible for administering the compact. The Interstate Commission may collect an annual assessment from each member state to cover the cost of operations and activities of the Interstate Commission and its staff.

Member states are required to establish a state council. LB 575 establishes a six member State Council on Educational Opportunity for Military Children within the State Department of Education (NDE). Members of the council are eligible for the reimbursement of expenses. The council is to appoint a military family education liaison to assist families and the state in implementing the compact. NDE is to provide staff support for the council. The deputy commissioner of education is to serve as the compact commissioner and is to administer the state's participation in the compact.

The bill provides for NDE to accept donations to pay for any or all costs of administering the bill. It also provides a cash fund appropriation of \$27,200 from the Education Innovation Fund to fund the Interstate Compact in FY2012-13. The operative date of the bill is July 1, 2012.

Cost of Compact Membership: The Interstate Compact is operational and has been approved by 35 states. Information available from the compact shows a FY11 budget of \$498,500 for compact operations. Each state is to be assessed \$1 per student covered under the agreement. Nebraska's annual assessment will be about \$5,100 based upon children in families of persons who are on active duty or \$8,800 if states are assessed based upon children in families of persons who are on active duty or who are reserves.

NDE Fiscal Impact: There will be increased expenditures for NDE to pay for council activities and to staff the council. It is assumed that annual expenditures for council meetings and operations will not exceed \$4,000. NDE indicates that existing staff will provide support to the council and serve as the compact commissioner at no increased cost for personnel to the state. The department estimates about \$14,100 of increased expenses for travel and operations pursuant to the bill. These costs are in addition to a maximum assessment for the state of \$8,800. The total fiscal impact of the bill is estimated to be \$27,200 in FY2012-13.

A cash fund fiscal impact will be incurred in FY2012-13 to fund LB 575 based upon the appropriation from the Education Innovation Fund that is authorized. It is assumed cash fund donations will be available in FY2013-14 to fund the bill. Thereafter, cash funds may be used in lieu of general funds in future fiscal years to the extent that donations are received by NDE, or membership in the compact may be foregone, if cash funds are unavailable.